

FINANCIAL STRATEGY

1. A three year forward plan will be maintained, reviewed and rolled forward each year as part of the budget process, encompassing:
 - ◆ Proposed development of services.
 - ◆ Efficiency savings.
 - ◆ A General Fund revenue expenditure forecast.
 - ◆ A capital expenditure and resources plan.
 - ◆ Proposed use of reserves and balances.

2. Within constraints imposed by either legislation or the economic climate, sufficient resources (both capital and revenue) should be secured or reserved to enable the Council to:
 - ◆ Deliver services which help to achieve its priorities and objectives.
 - ◆ Maintain a substantial, reasonably balanced, capital programme which will not only improve the range of facilities provided for the public but will also adequately maintain the existing asset base.

3. Every effort will be made to keep revenue spending within a reasonable percentage of the previous year's level. Wherever possible new service developments should be funded from savings or additional income. The Council's revenue budget shall be prepared in accordance with the Council's budget strategy.

4. General Fund balances will only be used to reduce the Borough Council's call on the Collection Fund in exceptional circumstances, e.g. to meet significant non-recurring expenditure, to even out major fluctuations or to keep within capped spending limits.

5. In order to sustain its capital programme, the Council will:
 - ◆ Aim to raise capital receipts of an average of £1 million a year (in addition to those from the sale of Council houses). Make use of the "in and out" arrangements permitted under the capital financing regulations whenever possible.
 - ◆ Where appropriate, encourage private sector schemes either on their own or jointly with the Council.
 - ◆ Seek to maximise receipt of European, Single Regeneration Budget, Lottery or other grants wherever possible.

6. The current policy is to maintain a minimum Working Balance of £1.5 million for the General Fund and £3.0 million for the HRA. In addition a prudent level of earmarked reserves will be maintained for known liabilities and to even-out charges to the revenue account (e.g. property repairs, self-insurance claims, vehicle & equipment replacement reserves). The level of all reserves and balances will be reviewed at least annually.

7. At the close of a financial year, unless there are unusual circumstances:
 - ◆ Any under-spending on General Fund will be transferred to the Budget Risk Reserve except to the extent that approval is given to carry forward unspent budgets to the subsequent financial year or are required to meet future revenue spending, in which case they will remain in the General Working Balance;
 - ◆ Any overspending will be met from the Budget Risk Reserve or General Fund balance.
 - ◆ Any D.L.O./D.S.O. surpluses arising in the year which are not required for operational purposes will be allocated as follows:-
 - (i) the Maintenance of Buildings D.L.O. surplus relating to Housing repairs work will be transferred to the Housing Revenue Account.
 - (ii) an amount equivalent to any remaining surpluses will be transferred to the Budget Risk Reserve.

8. Under the direction of the Cabinet the management of the Council's land and property is being reviewed in order to:
 - ◆ Undertake a critical examination of the land and property portfolio.
 - ◆ Draw up a longer-term acquisition and disposal plan.
 - ◆ Minimise void periods on investment property.
 - ◆ Ensure prompt reviews of rent in accordance with lease terms.
 - ◆ Review and extend the property repair and renewal plan.

9. Fees and charges shall be reviewed in accordance with the Council's Charging Policy and in all cases shall review them at least annually.

10. The budget risks will be identified and assessed at the start of each financial year and monitored throughout the year.

11. The financial strategy should be kept under continuous review in the light of developing legislation and the perceived needs of the Borough.